EXHIBIT NO.

<u>13</u> 6-9-04

City of Alexandria, Virginia

MEMORANDUM

DATE:

JUNE 3, 2004

TO:

THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

PHILIP SUNDERLAND, CITY MANAGER 5

SUBJECT:

APPROPRIATION ORDINANCE FOR FISCAL YEAR 2005

ISSUE: Consideration of an Appropriation Ordinance to make appropriations for the support of the government of the City of Alexandria, Virginia for the Fiscal Year (FY) 2005.

RECOMMENDATION: That City Council pass the Ordinance on first reading and schedule it for public hearing, second reading, and final passage on Saturday, June 12, 2004.

DISCUSSION: On May 3, 2004, City Council approved the FY 2005 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for Calendar Year (CY) 2004. In accordance with sections 6.07 and 6.14 of the City Charter, an ordinance is also required to appropriate the FY 2005 Approved Operating and Capital Budgets. The attached Appropriations Ordinance legally establishes the revenues and expenditures of the FY 2005 budget. The ordinance matches City Council's approved budget with one exception. During the budget process, in anticipation of increased State aid, City Council reduced the City Manager proposed transfer to the Schools by \$2.0 million, created a \$2.0 million education contingent reserve, and then increased expected State aid to the Schools by that amount. As reported to Council after the budget was adopted, the net increase in State aid (including the VRS teachers' retirement cost adjustment) was \$2,468,435. As a result, the Schools transfer, contingent reserve account and State revenues all have been adjusted by the additional \$468,435, to be held in contingent, with the decision on its future use related to the outcome of the bidding and negotiations related to the costs of the planned new T.C. Williams High School.

As detailed in Section 7 of the attached ordinance, a significant portion of the General Fund's revenues are transferred to other funds and component units, principally to finance operations of the Alexandria City Public Schools. The total expenditure appropriation must be reduced by the amount of these transfers (referred to as "Interfund Transfers") to eliminate double counting and accurately reflect the aggregate expenditure appropriations.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$579,458,294 for FY 2005 in the following funds:

General Fund Special Revenue Fund

\$432,850,876

Capital Projects Fund

68,569,964

75,650,407

Equipment Replacement Internal Service Fund	3,869,286
Schools	171,582,431
Library	6,366,648
Alexandria Transit Company	7,550,720
Less: Interfund Transfers	<u>(186,982,038</u>)
TOTAL	<u>\$579,458,294</u>

The amounts listed for the Alexandria Transit Company, the Schools, and the Library represent their total budgets, including the City's General Fund appropriation to each agency and any fee revenue (such as farebox revenue for the Alexandria Transit Company), grants, State aid or other revenues that are part of their total budgets. By charter, Council must appropriate all monies, including those for the Alexandria Transit Company, irrespective of the source. The "Less: Interfund Transfers" line backs out dollars counted both in the General Fund figure and each of the agency budgets for the City's appropriation to these individual agencies.

ATTACHMENT: Appropriations Ordinance

STAFF:

Mark Jinks, Assistant City Manager
D. A. Neckel, Director of Finance
Laura Triggs, Deputy Director of Finance/Comptroller
Bruce Johnson, Director, Office of Management and Budget

Introduction and first reading: 06/09/04
Public hearing: 06/12/04
Second reading and enactment: 06/12/04

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2005.

Summary

The proposed ordinance appropriates funds for the operation of the city government in fiscal year 2005.

Sponsor

Daniel A. Neckel, Director of Finance

Staff

Daniel A. Neckel, Director of Finance Ignacio B. Pessoa, City Attorney

Authority

§ 2.02(c), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2005.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$579,458,294 be, and the same hereby is, appropriated for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$579,458,294 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 be, and the same hereby is, further appropriated to the following city departments, major operating units, component units and major categories of expenditures in the amounts set forth below:

Department/	Unit/Component Unit/	

Category of Expenditure	<u>Appropriation</u>
18th Circuit Court	¢1 210 075
	\$1,218,075
18th General District Court	84,638
18 th Juvenile Court	33,609
Citizens Assistance	622,159
City Attorney	1,506,405
City Clerk and Clerk of Council	301,692
City Council	536,569
City Manager	1,939,072
Clerk of Court	1,492,296
Commonwealth's Attorney	2,485,971
Contingent Reserves	3,648,435
Court Services Unit	1,199,383
Finance	7,774,285
Fire	30,654,592
General Debt Service	22,876,399
General Service	10,369,369
Health	7,229,489
Human Rights	481,999
Human Services	45,596,911
Human Services Contributions	1,155,001

Information Technology Services	6,564,009
Internal Audit	190,032
Law Library	134,150
Mental Health/Mental Retardation/Substance Abuse	24,681,335
Non-Departmental	9,240,827
Office of Historical Alexandria	2,500,580
Office of Housing	3,838,618
Office of Management and Budget	976,816
Office on Women	1,551,319
Other Correctional Activities	4,064,407
Other Educational Activities	13,299
Other Planning Activities	2,560,369
Personnel	2,633,390
Planning & Zoning	3,550,167
Police	42,744,022
Real Estate Assessments	1,027,914
Recreation, Parks & Cultural Activities	17,388,423
Registrar of Voters	954,197
Sheriff	20,517,748
Transit Subsidies	12,258,321
Transportation and Environmental Services	23,393,230
Capital Projects	75,650,407
Component Unit-Library	6,366,648
Component Unit-Schools	171,582,431
Internal Services	3,869,286
TOTAL APPROPRIATIONS	<u>\$579,458,294</u>

Section 3. That, pursuant to section 6.07 of the city charter, the sum of \$579,458,294 appropriated in section 1 of this ordinance for the support of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 be, and the same hereby is, further appropriated to the following principal objects of city expenditures:

Object of Expenditures	<u>Appropriation</u>
Personnel Service	\$184,423,823
Non-Personnel Services	129,840,977
Capital Outlay	174,002
Component Unit-Library	6,366,648

TOTAL APPROPRIATIONS	<u>\$579,458,294</u>
Capital Projects	<u>75,650,407</u>
Equipment Replacement	3,869,286
Component Unit-Alexandria Transit Company	7,550,720
Component Unit-Schools	171,582,431

Section 4. That the sum of \$579,458,294 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 is estimated to be derived from the following sources of revenue:

Source of Revenue	<u>Amount</u>
General Property Taxes	\$262,505,157
Other Local Taxes	94,342,500
Permits, Fees and Licenses	3,636,528
Fines and Forfeitures	3,952,000
Intergovernmental Revenue	120,483,502
Charges for Services	20,124,931
Revenue from Use of Money and Property	5,232,900
Miscellaneous Revenue	2,517,457
Bond Proceeds	44,826,655
Unreserved Fund Balance - General Fund: Subsequent Year's Budget	11,870,116
Unreserved Fund Balance - Capital Projects Fund: Subsequent Year's Budget	1,805,636
Schools' Fund Balance	2,361,906
Retained Earnings - Internal Services	<u>3,799,006</u>
TOTAL ESTIMATED REVENUE	<u>\$579,458,294</u>

Section 5. That, pursuant to section 6.14 of the city charter, the sum of \$75,650,407 be, and the same hereby is, appropriated for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005. This sum, which consists of the \$75,650,407 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as follows: (i) \$33,973,669 to capital projects which are included in the city's government fiscal year 2004-2009 capital improvement program adopted by city council on May 3, 2004, \$39,380,738 to the capital projects identified in the Alexandria City Public Schools' capital

budget approved by the school board on February 19, 2004 and \$2,296,000 for the Open Space Trust Fund.

Section 6. That the sum of \$75,650,407 appropriated in section 5 of this ordinance for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 is estimated to be derived from the following sources of revenue:

Source of Revenue	<u>Amount</u>
Transfer In from General Fund	18,882,000
Permits, Fees and Licenses	2,000,000
Bond Interest Earnings	600,000
Designated General Fund Balance	7,536,116
Designated Capital Fund Balance	1,805,636
Bond Proceeds	44,826,655
TOTAL ESTIMATED REVENUE	<u>\$75,650,407</u>

Section 7. That the sum of \$186,982,038 be, and the same hereby is, authorized to be transferred between the following funds maintained by the city, as set forth below:

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Amount</u>
General Fund	\$26,320,452	Special Revenue Fund - General	\$26,320,452
General Fund	18,882,000	Capital Projects Fund	18,882,000
General Fund	130,109,722	Component Unit-Schools	130,109,722
General Fund	5,700,720	Component Unit-Alexandria Transit Company	5,700,720
General Fund	5,969,144	Component Unit-Library	5,969,144
TOTALS	<u>\$186,982,038</u>	TOTALS	<u>\$186,982,038</u>

Section 8. That the sum of \$579,458,294 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 is, for accounting purposes and in accordance with accepted accounting principles generally accepted in the United States of American, attributed, for each city department, major operating unit, component unit and major

category of expenditure, to the funds maintained by the city as shown in Table I on the following page of this ordinance.

Section 9. That the sum of \$579,458,294 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2004 and ending on the thirtieth day of June 2005 is, for accounting purposes and in accordance with generally accepted accounting principles, attributed, for each major source of revenue, to the funds maintained by the city as shown in Table II on the following page of this ordinance.

Section 10. That this ordinance shall become effective upon the date and at the time of its final passage.

WILLIAM D. EUILLE

Mayor

Introduction:

06/09/2004

First Reading:

06/09/2004

Publication:

Public Hearing:

Second Reading:

Final Passage:

Replacement Schools \$		Projects S	Projects
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	Total	28	3,636,528 3,952,000	120,483,502 20,124,931		5,232,900	2,517,457	44,826,655		11,870,116 1.805,636	2,361,906		3,799,006		\$ 579,458,294
9	Alexandria Transit Co.	<i>\$</i>		1,850,000											397,504 \$ 1,850,000
Component Units	Library	₩		203,259 194,245											\$ 397,504
)	Schools	07		35,725,647 1,897,914		11,400	1,475,842				2,361,906				\$ 41,472,709
Internal	Service Fund: Equipment Replacement	↔		70,280									3,799,006		3,869,286 \$
	S Capital Projects	\$ 2,000,000				000'009		44,826,655		7,536,116					56,768,407
	Special Revenue Fund		375,528	35,651,196 5,604,792		000'9	611,996								\$ 42,249,512 \$ 56,768,407
	General	\$ 262,505,157 \$ 94,342,500	3,261,000 3,952,000	48,903,400 10,507,700		4,615,500	429,619			4,334,000					\$ 432,850,876 \$
	Source of Revenue	General Property Taxes Other Local Taxes Permits, Privilege Fees	and Licenses Fines and Forfeitures	Intergovernmental Revenue Charges for Services	Revenue from Use of Money	and Property	Miscellaneous Revenue	Bond Proceeds	Unreserved Fund Balance -	General Fund Canital Projects Fund	Schools-General Fund	Retained Earnings -	Internal Service Fund	Future Bond Proceeds	TOTAL